

MINUTES OF THE COTTONWOOD HEIGHTS CITY COUNCIL PRE-LEGISLATIVE BREAKFAST HELD FRIDAY, JANUARY 9, 2026, AT 7:30 AM IN THE COTTONWOOD HEIGHTS CITY COUNCIL CHAMBERS LOCATED AT 2277 EAST BENGAL BOULEVARD, COTTONWOOD HEIGHTS, UTAH

Present: Mayor Gay Lynn Bennion, Council Member Matt Holton, Council Member Ellen Birrell, Council Member Suzanne Hyland, Council Member Shawn Newell

Staff Present: City Attorney, Shane Topham; Finance Director, Scott Jurgens; Police Chief, Robby Russo; Records, Culture, and Human Resources Director, Barbara Higgins; Community and Economic Development Director, Jim Spung; Public Works Director and City Engineer, Matt Shipp; Assistant Police Chief, Chris McHugh

Legislators: Senator Kirk Cullimore, Representative John Arthur

Also Present: Greg Curtis, Brian Allen

1.0 INTRODUCTIONS

Mayor Gay Lynn Bennion called the meeting to order at 7:30 AM and thanked Utah State Senator Kirk Cullimore and Representative John Arthur for taking the time to be at the meeting. Those present introduced themselves.

Senator Cullimore represents Senate District 19, which includes a portion of Cottonwood Heights. He is entering his eighth legislative session and always strives to do all he can at the State level to help the East Bench cities.

Representative Author represents House District 41, which includes Cottonwood Heights and nearby cities. He is honored to represent the community where he grew up.

2.0 Discussion of Upcoming Legislative Session Priorities with Local Elected Representatives.

Lobbyist Brian Allen remarked that there is a healthy, natural tension between state and local governments. He works very hard to protect the City's interests and its ability to make decisions, and that can sometimes be at odds with policies being pushed by the legislature. His role is to educate and advocate for the City. He was in the legislature in the 1990s and began lobbying a few years after his term ended. He has represented Cottonwood Heights since it incorporated. The upcoming session will include bills related to housing policy that will affect local governments. He will ensure that the Council is educated on that legislation and is always available to answer questions.

Greg Curtis stated that Mr. Allen works on policy, and they communicate frequently during the legislative session. Mr. Curtis' focus is on obtaining funding for the City, including recently securing approximately \$180,000 in traffic control funding out of a total of \$500,000 shared between

Cottonwood Heights, Sandy, and Salt Lake County. Budgets are typically set by the House and Senate majority leadership, so he primarily works with those members.

Council Member Birrell stated that the Utah Department of Transportation ("UDOT") had widened the shoulder on the west side of Wasatch Boulevard from Bengal Boulevard to the mouth of Little Cottonwood Canyon, which requires more traffic officer hours on snow mornings and puts more pressure on City police without additional funding. People waiting to get into the canyon no longer block local traffic, but no additional funding was given to cover the salaries of the officers required to police the area on snow days.

Mayor Bennion shared that City Manager, Jared Gerber, was recovering from surgery and unable to attend, but he prepared a handout with information on Cottonwood Heights and its legislative priorities.

Cottonwood Heights is a member of the Utah League of Cities and Towns ("ULCT"), which emphasizes the importance of local control. City residents are well-educated and typically have high incomes. The City's General Plan update is 10 years overdue, but it is in process and should be completed in 2026.

Work on the new Town Center began with a ballot initiative in 2025 where approximately 52% of residents voted in support of the project. The development team of Onyx and Thrive, which developed the Holladay town center, was chosen to lead the project. Because the City will retain ownership of the property and lease it to the developer, the process is complicated and proceeds slowly. Additionally, existing business leases must be allowed to expire prior to construction.

City Attorney, Shane Topham, reported that because citizens voted to tax themselves to acquire the property, the City Council believed it was appropriate that the property remain a community asset. This type of development typically lasts approximately 40 years. As Mayor Bennion mentioned, the City inherited two long-term ground leases that are delaying construction.

Council Member Holton stated that Representative Jill Koford has proposed a property tax adjustment that would shift the tax burden from homeowners to businesses, and the House majority is in support of the proposal. He asked if the Senate has a position on the legislation, which would negatively impact cities like Cottonwood Heights and Bluffdale that do not have as much commercial development as other cities and may be forced to enact tax increases to retain that revenue. He reported that multiple property tax proposals will be considered during the session, including increasing the residential exemption.

Senator Cullimore stated that he has concerns about the proposals. It sounds nice to increase the residential exemption, but that would just shift the revenue source because commercial property costs are passed on to consumers, so households will pay the taxes regardless. The legislature explored the issue during COVID when property taxes spiked, and commercial values declined. He believes the legislature will have to be negotiated, but drastic changes do not make sense. The caucus did not express a lot of interest in greatly increasing the residential exemption due to concerns similar to those expressed by Council Member Holton.

Mr. Curtis stated that the proposal would require a constitutional amendment, so it would go to a vote. However, most people would believe it was a reduction when in reality it would just be a shift. Because residential makes up so much of the tax base, he believes shifting the responsibility to commercial properties would have a detrimental effect. Older retail properties like strip malls that are already barely hanging on will go vacant.

Senator Cullimore stated that another issue is property tax creep. Truth in Taxation has largely done as intended, but counties are now reclassifying what “new growth” means. In some counties, adding an awning onto an existing home is considered new growth that raises everyone’s tax. There may be an attempt to address that issue during the session as well.

Mayor Bennion reported that short-term rentals are a priority in Cottonwood Heights because it is at the base of the canyons. Council Member Hyland stated that the City is a residential suburban gateway. Cottonwood Heights has 32,437 residents, which is 2.75% of the population of Salt Lake County, yet the canyons receive nine million annual visitors. Cottonwood Heights does not want to become a resort community or for 20% of its houses to be short-term rentals, and there are currently 500 illegal short-term rentals in the City. Compliance has been very tricky, and local control is necessary. The Council wants to take advantage of a visitor economy, but it cannot be allowed to overrun the City.

The City Council recently heard a request to help run a shuttle program to Bonanza Flat, but Cottonwood Heights is a tiny city, and the entire county comes to the canyons. The City needs help. Utahns are not the only people who go to the canyons; she frequently hears foreign languages on the ski lifts. Cottonwood Heights is bearing an increasing burden that has not been addressed.

Council Member Hyland requested that Cottonwood Heights be recognized and discussed as a gateway city. The legislature has done a lot to help rural gateway cities that have a disproportionate burden. Cottonwood Heights feels that same burden, but it is not recognized because of the large metro area surrounding it. She asked for help with short-term rental policy changes that allow the City to better enforce its regulations.

Council Member Holton reported that a short-term rental preemption bill has been filed that would prevent municipalities from regulating the operation of short-term rentals. Arizona passed a law that he believes is a good compromise, and he is working with the bill’s sponsor to hopefully move them toward that middle ground. The Arizona law prevents cities from prohibiting short-term rentals but allows them to require a business license and provides a mechanism for enforcement of nuisance ordinances through a “three strikes” rule. He asked that the legislature consider how to get municipalities and online platforms to meet in the middle.

In response to a question from Senator Cullimore, Council Member Holton stated that the “Knotwell” rule was amended to make enforcement easier. Some groups are now pushing for full preemption. There is still work to be done.

Community and Economic Development Director, Jim Spung, remarked that short-term rentals impact housing availability. Without guardrails, investors will begin purchasing properties solely to use as short-term rentals, which pushes people who live and work in the city out of the community.

That is especially an issue in areas like Cottonwood Heights because of its proximity to the canyons. Cottonwood Heights needs to retain housing stock for people who live in the City permanently, not just for tourists, and it needs to retain the ability to regulate the percentage or total number of short-term rentals. Saint George and Washington City have had issues with entire developments being turned into resort communities.

Mayor Bennion asked Mr. Spung to speak about the Land Use, Development, and Management Act (“LUDMA”). Mr. Spung stated that LUDMA was initially adopted in 2005 and has been continually updated since that time. In 2025, over 300 bills proposed changes to LUDMA. He believes the changes are made with good intentions, but it takes time to incorporate and implement them, and city planners are unable to keep up. Cities are invested in ensuring that residents are engaged in the public process, and the State has certain noticing requirements for code amendments. It takes time to enact changes to City Code, and continually having to do that just to keep up with State changes can be overwhelming.

Mr. Spung noted that it is difficult to navigate LUDMA because topics are scattered across different areas. It was recently moved to Chapter 20, which helped restructure some of the content, but a lot of information in other chapters also affects municipal land use and zoning. For example, the Health and Human Services chapter regulates businesses like home daycare facilities. It is hard to keep track of all the different chapters and sections that must be reviewed to know how to regulate and what changes must be made to City code. It is also a moving target, and a staff with two or three planners cannot keep up with the barrage of changes.

Mayor Bennion indicated that Cottonwood Heights has not raised property taxes since 2018. She asked Finance Director, Scott Jurges to provide an overview of the City’s financial status. Mr. Jurges reported that the City’s first property tax year was 2006. The only increase occurred in fiscal year 2019 and generated approximately \$980,000 in new revenue. The average increase from new growth is approximately \$51,000 annually on a \$25 million budget.

Property taxes account for approximately one-third of the City’s revenues, and it is difficult to cover increased costs when such a large portion of the revenue remains flat. Sales taxes also account for one-third of revenues. Those revenues increased in 2018 and 2019 but have been flat for the past three years. The proposed residential exemption increase would have minimal impact on a commercialized city like South Salt Lake City but would discourage businesses from opening in bedroom communities like Cottonwood Heights.

Mr. Spung stated that cities’ commercial footprints are getting smaller nationwide. Abandoned shopping centers are being converted into residential developments. The Town Center property is an old strip mall and commercial center. It will still retain some commercial and office space, but will also incorporate residential. He believes it is important for the legislature to consider that shift.

Mr. Jurges reported that municipalities are allowed to charge a 6% franchise tax on utility bills. As homes have become more energy efficient and electric and gas consumption has declined, the City’s revenues have decreased. A 25% reduction in power usage results in a 25% revenue reduction, and the only way the City can make up the difference is if the utility company increases its rates by 33%.

Cable television taxes have declined steadily as residents turn to streaming services. If the City was able to charge a franchise tax on the internet, that would help recoup some lost revenue.

Representative Arthur left the meeting at 8:20 a.m. He thanked the City Council for the information and encouraged them to contact him via telephone or email so they could schedule a time to discuss the issues in more detail.

Mayor Bennion reported that Cottonwood Heights has been depleting its reserve funds to cover operations and maintenance costs for seven years. Efforts have been made to reduce expenses at that time. However, the City is now in a position that it must either increase revenues or decrease expenses or it will not have enough reserve funds to match grants or be prepared for a true emergency.

Council Member Hyland noted that Senator Cullimore co-sponsored the bill requiring all county islands to be annexed into a city. Cottonwood Heights has had three annexations since that time, and all that three have involved different processes with drastically different interpretations. Another rule change occurred in 2025 while the City was working on an annexation south of Creek Road, which then had to be abandoned. Annexation is currently focused on growth cities, and changes are only made from that perspective.

Another challenge is revenue. An unincorporated area of Salt Lake County was annexed into the City in July 2025, but revenue from the area will not be paid to the City until November 2026. The City must provide services to those residents for almost 18 months without revenue. She requested that the annexation process be streamlined. If cities are provided with a checklist of the required steps, it would be easier for the city and much less frustrating for citizens.

Salt Lake County and Governor Cox's office provide different information based on different staff members' interpretations of the law. A clearly defined checklist would ensure that everyone is on the same page.

In response to a question, Council Member Hyland stated that her understanding is that the focus is on developers who want to develop unincorporated land and force it into a city. Her request is that the legislature consider how annexation affects cities in Salt Lake County. A \$10,000 metes-and-bounds survey is also required each time an unincorporated area is annexed, which is a high cost for homes that will not generate revenue for 18 months due to how property taxes are structured. Senator Cullimore reported that one reason for the lag is that many areas are under service contracts that do not expire at annexation. For example, annexed areas near his home are still serviced by Salt Lake County for a period of time after they are annexed into Sandy. Council Member Holton remarked that Salt Lake County could better streamline the administrative process.

Mr. Curtis stated that in many negotiations, the biggest adversaries can be other cities with competing approaches. Cottonwood Heights is not the same as Herriman, which is expanding out rather than annexing unincorporated islands. Developers may shop between cities to determine where they will get the best deal to develop their land. Infill islands can be complicated because they involve individual homeowners. He owns property that was annexed into Sandy from Salt Lake County, which has lower property taxes but multiple special service district fees that actually make it significantly more expensive to live there.

Council Member Hyland clarified that she is grateful for the bill as it helps get rid of the unincorporated islands. However, the process is difficult and citizens are not empowered to choose the city they want to live in.

Senator Cullimore stated that there is a checklist for new annexations, and he was not knowledgeable in the difference for infill annexations.

Public Works Director, Matt Shipp, stated that there are two different initiatives, one for the city and one for residents. Each has similar steps with some nuances. The initial process involves the municipality and the administrative and legislative branches of the county. Each entity must sign off on the annexation, and each entity interprets the law differently. It then goes to the state level. The last City annexation went back and forth four times. He believes the problem is not the bill, but its interpretation.

Mayor Bennion asked City Attorney, Shane Topham, to speak to an issue with prosecutorial services and indicated that they were working with Senator Pitcher about the issue because it also impacts Holladay.

Mr. Topham reported that Cottonwood Heights does not employ a prosecutor. Those services are obtained through an interlocal agreement with Holladay for Justice Court services that include the judge, prosecutor, and indigent defense services. It is the City's position that this is a smart and efficient use of public monies. A person who was convicted in that court sued the City on the grounds that it does not have the right to use a contract prosecutor. The case went to the Utah Supreme Court but was subsequently withdrawn on a procedural issue. However, the plaintiff's counsel indicated that he intends to revisit the legal question of whether a contract prosecutor can be used. Mr. Topham drafted a bill to address the issue via statute that will be filed by Senator Pitcher. The legislation would match the language available to county attorneys and give a city attorney the right to deputize any other attorney, whether a public prosecutor or private attorney, to perform certain services, including prosecutorial services.

Police Chief, Robby Russo spoke on Representative Wilcox's School Guardian Program. Cottonwood Heights supports the program and would very much like to move it forward, but no one is willing to pay for it. Canyons School District approved the model he presented to shift the liability and training to his department, but no one wants to take ownership of funding it. He expects Representative Wilcox to express frustration that the program has not been implemented statewide, but even the existing guardians are not receiving training.

Chief Russo also asked for assistance on a clarification for Representative Poulson's revenge porn statute. Senator Cullimore asked if he had approached the Utah Statewide Association of Prosecutors & Public Attorneys regarding the matter. He believes it was simply an oversight, and he is certain they can find a sponsor once the language is drafted.

Mayor Bennion thanked Senator Cullimore for attending.

3.0 OTHER BUSINESS

No other business was discussed.

4.0 ADJOURN

The Legislative Breakfast adjourned at 8:28 AM.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Cottonwood Heights City Council Pre-Legislative Breakfast Meeting held on Friday January 9, 2026.

Teri Forbes

Teri Forbes
T Forbes Group
Minutes Secretary

Minutes Approved: _____